

Terms of Reference

(Approved by the Board on 12 December 2003

Last updated 25 February 2025)



1 Membership

- 1.1 A majority of Committee members should be independent Non-Executive Directors.
- 1.2 The Committee Chair must be either the Company Chair or an independent Non-Executive Director. The Company Chair shall not chair the Committee whilst it is dealing with the appointment of a successor for the Company Chair.

2 Attendance at Meetings

- 2.1 Only members of the Committee have the right to attend Committee meetings. However, all other Non-Executive Directors, the CEO, the Chief People Officer and, where relevant, appropriate external advisers, may attend for all or part of any meeting of the Committee by invitation, as and when appropriate.

3 Frequency of Meetings

- 3.1 The Committee shall meet at least twice a year and otherwise as required.

4 Duties

The Committee shall comply with the responsibilities of nominations committees as laid out in applicable laws and regulations and take account of relevant best practice guidance, such as the Financial Reporting Council's Guidance on the 2024 Corporate Governance Code, and undertake:

4.1 *Succession planning*

- 4.1.1 as part of the progressive and orderly refreshment of the Board, regularly review its structure, size and composition, including the skills, knowledge, independence and experience of the Board and make recommendations to the Board as appropriate.
- 4.1.2 keep under review the leadership needs of the Group at Board level, both Executive and Non-Executive, with a view towards ensuring the continued ability of the Group to compete effectively in the marketplace.
- 4.1.3 ensure and review plans for orderly succession to Board and Senior Management positions, and oversee the development of a talented pipeline for succession having regard for equal opportunity, background and experience to support an inclusive culture

4.2 *Appointments, Conflicts & Dismissals*

- 4.2.1 maintain and apply a formal, rigorous and transparent procedure for Board appointments.
- 4.2.2 evaluate the balance of skills, knowledge, composition, experience and other qualifications on the Board before an appointment is made and, based on such evaluation, shall prepare a description of the role, capabilities and time commitment required for each particular appointment.
- 4.2.3 be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise. In identifying suitable candidates for any appointment, the Committee shall use open advertising and/or external advisers to facilitate the search, and the Committee shall consider :



- i) candidates from a wide range of backgrounds
- ii) candidates on merit and against objective criteria, considering their skills and expertise
- iii) the benefits of equal opportunity on the Board and take particular care to ensure that candidates have adequate time available to devote to the position.

4.2.4 consider, in respect of the Executive Directors and Senior Management, proposals for their:

- i) appointment, re-appointment, promotion or any substantive change in their duties or responsibilities
- ii) dismissal or non-reappointment.

4.2.5 consider and recommend to the Board proposals for the appointment, re-appointment (including the term of such appointment) or retirement of Non-Executive Directors.

4.2.6 assess and ensure that Non-Executive Directors have capacity to devote such time as is necessary for the performance of their duties.

4.2.7 make recommendations to the Board concerning:

- i) suitable candidates for the role of Senior Independent Director
- ii) membership of all Board Committees as appropriate, in consultation with the respective Chair of those Board Committees
- iii) any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provisions of the law and their service contract
- iv) the appointment of any Director to executive or other office
- v) the re-election by shareholders of the Directors under the annual re-election provisions of the UK Corporate Governance Code (UK Code) or the retirement by rotation provisions in the Company's Articles of Association, having due regard to their performance, ability and commitment to their role, and their contribution to the Company's long-term sustainable success in the light of the skills, experience and knowledge required and the need for progressive refreshing of the Board, taking into account the length of service of individual Directors and the Board as whole.

4.2.8 ensure that, on appointment to the Board, Non-Executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.

4.3 *Training*

4.3.1 Ensure that newly appointed Directors receive a full, formal and tailored induction on joining the Board and examine ongoing training and development needs as required.

4.4 *Approval and Review of Situational Conflicts of Interest*

4.4.1 consider and, if appropriate, recommend the authorisation of situational conflicts of interest of Directors or potential Directors to the Board. The Committee shall review the authorisations that have been given from time to time, but at least annually. In addition, if any change of circumstance occurs, the Committee shall review the impact on any previous authorisation.



- 4.4.2 consider for potential Non-Executive Directors, and recommend to the Board, whether the independence requirements set by the UK Code provisions, the US Securities and Exchange Commission (SEC) and New York Stock Exchange (NYSE) are met.
 - 4.4.3 prior to the appointment of a Director, ensure that the proposed appointee is required to disclose any other business interests that may result in a conflict of interest or a significant time commitment. (These must be authorised by the Board prior to appointment and any future business interests must not be undertaken without prior authorisation of the Board.)
 - 4.4.4 consider and, if appropriate, authorise related person transactions, transactions with Directors, officers of the Company or, as defined in the Company's policy, other related persons. In addition, the Committee shall review, as appropriate, any authorisation that has been given in light of any change in circumstances of which it becomes aware that may affect such authorisations. The Committee shall review the Company's policy on related party transactions including timing of authorisations and conformity of the policy with SEC reporting and NYSE rules.
- 4.5 *Corporate Governance & Regulatory Developments*
- 4.5.1 report to the Board, oversee and monitor any relevant corporate governance, legal, or regulatory developments and best practice that may impact the Company and recommend any action or changes it considers necessary to the Board for approval, to ensure the Company's standards and arrangements are consistent with existing corporate governance standards and emerging best practice.

5 Reporting Procedures

- 5.1 The Committee's Report on its activities to be included in the Company's Annual Report shall detail the process used to make appointments, approach to succession planning, and how both support the development of a talented pipeline, and will explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company or individual Directors.
- 5.2 The Report will include how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has or will influence the Board composition and succession planning.